



FSRA is actively reviewing all FSCO regulatory direction, including but not limited to forms, guidelines and FAQs.

Until FSRA issues new regulatory direction, all existing regulatory direction remains in force.

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FAQs on FSCO's Checklist on Detecting and Preventing Mortgage Fraud

1. What is the goal of the Checklist on Detecting and Preventing Mortgage Fraud?

The goal of the checklist is to raise awareness of practices that can strengthen mortgage fraud detection and prevention. It is designed to keep fraudsters from defrauding borrowers, lenders, investors and the mortgage brokerage itself.

2. Why is FSCO issuing a Checklist on Detecting and Preventing Mortgage Fraud?

FSCO's legislative mandate is to provide regulatory services that protect the public interest and enhance public confidence in the sectors it regulates. As stated in [FSCO's 2015 Statement of Priorities](#), FSCO is committed to distributing consumer protection and fraud prevention information. In addition to this checklist, FSCO has developed other resources to educate consumers about fraud. This includes FSCO's web portal, [Fighting Fraud: What You Can Do](#), which provides tips on avoiding auto insurance fraud and [#fraudchat](#) , a Twitter chat on various fraud related topics.

3. How big a problem is mortgage fraud?

According to Criminal Intelligence Service Canada, mortgage fraud is a growing problem that is estimated to cost hundreds of millions of dollars in Canada each year.

4. How does this checklist differ from other information on mortgage fraud that is currently available to mortgage brokers and agents?

The [Checklist on Detecting and Preventing Mortgage Fraud](#) is based on industry best practices and the Standards of Practice regulations under Ontario's Mortgage Brokerages, Lenders and Administrators Act, 2006 (MBLAA). This includes amendments to these regulations that are going into effect on January 1, 2016 which require that mortgage brokers, agents and administrators not ignore suspicions of fraud.

5. What are some of the issues that are addressed in the Checklist on Detecting and Preventing Mortgage Fraud?

The [Checklist on Detecting and Preventing Mortgage Fraud](#) emphasizes that mortgage brokerages, brokers, agents and administrators cannot ignore something that looks suspicious and may involve

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mortgage fraud.

While mortgage brokerages and administrators are required to disclose important information to the client, the brokerage or administrator also needs to ensure the client understands the disclosure that is provided. FSCO will not consider a client's signature on a disclosure document, on its own, as sufficient proof the client was adequately informed about the mortgage and its risks.

Keep detailed records. In the past, FSCO's field audits found documents from files were missing or unavailable.

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